



# Bahrain Commercial Facilities Company BSC

## Consolidated Financial Statements 31 December 2009

### CONSOLIDATED INCOME STATEMENT

for the year ended 31 Dec 2009

Bahraini Dinars in thousands	2009	2008
Interest income	17,892	16,906
Interest expense	(6,383)	(6,415)
<b>Net interest income</b>	<b>11,509</b>	<b>10,491</b>
Automotive sales	59,175	77,623
Cost of sales	(53,747)	(69,252)
<b>Gross profit on automotive sales</b>	<b>5,428</b>	<b>8,371</b>
Insurance commission income	706	927
Gross profit on land activities	194	598
<b>OPERATING INCOME OF THE GROUP</b>	<b>17,837</b>	<b>20,387</b>
Salaries and related costs	(3,641)	(3,403)
General and administrative costs	(1,965)	(1,684)
Selling and promotion costs	(1,165)	(1,329)
Depreciation	(1,128)	(1,158)
Provision for bad and doubtful loans	(928)	(1,228)
Provision for inventory and trade receivables	(775)	(106)
Recoveries of loans previously written off	488	457
Automotive finance costs	(1,212)	(833)
Foreign exchange gain / (loss)	797	(361)
Other operating income	320	273
<b>Total operating expenses</b>	<b>(9,209)</b>	<b>(9,372)</b>
<b>PROFIT FROM OPERATIONS</b>	<b>8,628</b>	<b>11,015</b>
Other income	1,007	423
<b>PROFIT FOR THE YEAR</b>	<b>9,635</b>	<b>11,438</b>
Basic earnings per 100 fils share	60 fils	88 fils
Proposed cash dividend per 100 fils share	35 fils	35 fils

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 Dec 2009

Bahraini Dinars in thousands	2009	2008
<b>ASSETS</b>		
Cash and cash equivalents	2,522	1,144
Loans	144,039	149,769
Trade and other receivables	3,546	5,041
Inventories, net of provision	18,229	29,833
Property and equipment	13,739	13,473
Other assets	32	26
<b>Total assets</b>	<b>182,107</b>	<b>199,286</b>
<b>LIABILITIES</b>		
Bank overdrafts	4,590	2,971
Trade and other payables	18,043	30,411
Term loans	69,633	81,390
Bonds	19,966	19,928
<b>Total liabilities</b>	<b>112,232</b>	<b>134,700</b>
<b>EQUITY</b>		
Share capital	16,335	16,335
Treasury shares	(599)	(464)
Reserves and retained earnings	54,139	48,715
<b>Total equity</b>	<b>69,875</b>	<b>64,586</b>
<b>Total liabilities and equity</b>	<b>182,107</b>	<b>199,286</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 Dec 2009

Bahraini Dinars in thousands	2009	2008
<b>OPERATING ACTIVITIES</b>		
Loan repayments, interest and commission receipts	87,792	86,864
Automotive sales receipts	59,663	77,732
<b>Cash expended on operations</b>		
Loans disbursed	(61,863)	(95,188)
Payments to automotive suppliers	(54,479)	(72,077)
Payments of staff salaries and related costs	(3,641)	(3,403)
Payments of other operating expenses	(2,208)	(2,193)
Interest paid	(6,383)	(6,415)
Cash received from insurance claim	1,007	429
<b>Cash flows / (used in) from operations activities</b>	<b>19,888</b>	<b>(14,251)</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditure on property and equipment	(2,638)	(4,070)
Proceeds from sale of property and equipment	568	360
<b>Cash flows from investing activities</b>	<b>(2,070)</b>	<b>(3,710)</b>
<b>FINANCING ACTIVITIES</b>		
Term loans paid	(11,865)	(3,126)
Dividends paid	(5,651)	(4,349)
Directors' fees paid	(220)	(220)
Donations paid	(188)	(172)
Treasury shares purchased	(135)	(293)
Rights Issue proceeds, net	-	25,245
<b>Cash flows from financing activities</b>	<b>(18,059)</b>	<b>17,085</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(241)</b>	<b>(876)</b>
Cash and cash equivalents at beginning of the year	(1,827)	(951)
<b>Cash and cash equivalents at 31 December</b>	<b>(2,068)</b>	<b>(1,827)</b>
Cash and cash equivalents comprise:		
Cash and balances with banks	2,522	1,144
Bank overdrafts	(4,590)	(2,971)
<b>Total</b>	<b>(2,068)</b>	<b>(1,827)</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 Dec 2009

Bahraini Dinars in thousands	2009	2008
<b>PROFIT FOR THE YEAR</b>	<b>9,635</b>	<b>11,438</b>
<b>Other Comprehensive Income</b>		
Cash flow hedge fair value changes	(1,848)	(6,170)
<b>Other comprehensive income for the year</b>	<b>(1,848)</b>	<b>(6,170)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>11,483</b>	<b>5,268</b>

### SEGMENT INFORMATION

for the year ended 31 Dec 2009

Bahraini Dinars in thousands	Operating income		Net profit	
	2009	2008	2009	2008
Consumer finance	11,509	10,491	7,367	6,293
Automotive	5,428	8,371	1,708	3,960
Insurance	706	927	506	727
Real estate	194	598	54	458
	17,837	20,387	9,635	11,438

### Notice of the Shareholders' Ordinary Annual General Meeting

The Board of Directors of Bahrain Commercial Facilities Company BSC cordially invites the shareholders to attend the Ordinary Annual General Meeting to be held on Monday 15 March 2010, at 10:30 AM, at the National Motor Company's Conference Room in Sitra, Kingdom of Bahrain, to discuss the below agenda.

#### Agenda of the Ordinary Annual General Meeting:

- To read and approve the minutes of the last Annual General Meeting held on 14 March 2009.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2009.
- To receive the auditor's report on the financial statements for the year ended 31 December 2009.
- To review and approve the Company's financial statements for the year ended 31 December 2009.
- To appropriate the net profit for the year upon recommendations of the Board of Directors as follows:
  - Distribution of cash dividends of 35% of paid-up share capital at 35 Fils per share (BD 5,640,000).
  - Transfer of BD 1,500,000 to the Statutory Reserve.
  - Transfer of BD 1,500,000 to the General Reserve.
  - Allocation of BD 280,000 for the Charity and Donation Fund.
  - Allocation of BD 220,000 for the Board of Directors' Remuneration.
  - Transfer of BD 495,000 to Retained Earnings.
- To approve issuance of new bonds up to BD20 million.
- To absolve the members of the Board from liability for their actions during the year ended 31 December 2009.
- To appoint / reappoint the external auditors for 2010 and authorize the Board of Directors to determine their remuneration.

#### Notes:

- Shareholders wishing to be represented by other persons at the AGM are invited to get proxies at KPMG Fakhro – Share Section, Al-Hedayia House (2) 5th Floor, Government Avenue, P.O. Box 710, Tel.: 17215080, Fax: 17212055, BH-DLSharesUsers@kpmg.com.bh, Manama, Kingdom of Bahrain, effective from 22 February 2010.
- This proxy must be deposited at least 48 hours prior to the meeting date with KPMG's Shares Section.
- Board of Directors shall not act as proxies and the appointed proxy shall not represent a proxy more than 5% of the issued and paid up share capital of the Company.
- If the quorum for the said AGM is not obtained, a second meeting with the same agenda shall be held on Monday 22 March 2010 at the same time and place. Again, if the quorum for the said second meeting of AGM is not obtained, a third meeting with the same agenda shall be held on Monday 29 March 2010 at the same time and place.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 Dec 2009

Bahraini Dinars in thousands	Share capital	Treasury shares	Statutory reserve	Cash flow hedge revaluation reserve	Donations reserve	General reserve	Retained earnings	Total
<b>2009</b>								
At 1 January 2009	16,335	(464)	30,792	(8,155)	818	10,000	15,260	64,586
<b>2008 appropriations</b>								
Directors fees declared for 2008	-	-	-	-	-	-	(220)	(220)
Dividend declared for 2008	-	-	-	-	-	-	(5,651)	(5,651)
Donation declared (2008)	-	-	-	-	280	-	(280)	-
Transfer to statutory reserve (2008)	-	-	1,250	-	-	-	(1,250)	-
Transfer to general reserve (2008)	-	-	-	-	-	1,250	(1,250)	-
<b>Balance after 2008 appropriations</b>	<b>16,335</b>	<b>(464)</b>	<b>32,042</b>	<b>(8,155)</b>	<b>1,098</b>	<b>11,250</b>	<b>6,609</b>	<b>58,715</b>
<b>Total comprehensive for the year</b>								
Profit for the year	-	-	-	-	-	-	9,635	9,635
Other comprehensive income	-	-	-	1,848	-	-	-	1,848
cash flow fair value changes	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,848</b>	<b>-</b>	<b>-</b>	<b>9,635</b>	<b>11,483</b>
Utilisation of donation	-	-	-	-	(188)	-	-	(188)
Treasury shares	-	(135)	-	-	-	-	-	(135)
<b>At 31 December 2009</b>	<b>16,335</b>	<b>(599)</b>	<b>32,042</b>	<b>(6,307)</b>	<b>910</b>	<b>11,250</b>	<b>16,244</b>	<b>69,875</b>

Abdulrahman Yusif Fakhro  
Chairman

Abdulkareem Ahmed Bucheery  
Vice Chairman

Dr. Adel Hubail  
Chief Executive Officer